

HOUSE BILL NO. 74

INTRODUCED BY E. CLARK

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE SERVICE RETIREMENT BENEFIT FORMULA FOR MEMBERS OF THE GAME WARDENS' AND PEACE OFFICERS' RETIREMENT SYSTEM; AND AMENDING SECTION 19-8-603, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-8-603, MCA, is amended to read:

"19-8-603. Service retirement benefit. The service retirement benefit is equal to ~~2%~~ 2.5% of the member's final average salary for each year of service credit."

NEW SECTION. SECTION 2. COORDINATION INSTRUCTION. (1) IF EITHER HOUSE BILL NO. 294 OR [LC0454] AND [THIS ACT] ARE PASSED AND APPROVED, THEN [THIS ACT] MUST BE AMENDED BY ADDING THE FOLLOWING SECTION:

"Section 2. Section 19-8-502, MCA, is amended to read:

"19-8-502. Member's contribution. (1) Each member is required to contribute into the pension trust fund ~~8.5%~~ 10% of the member's monthly compensation, which must be deposited to the member's credit in the pension trust fund.

(2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954, as amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable by the member under subsection (1) for service rendered after June 30, 1985.

(3) The member's contributions picked up by the employer must be designated for all purposes of the retirement system as the member's contributions, except for the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages, as defined in 19-1-102, and the member's compensation as used to define the member's final average salary in 19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount

1 of the member's contributions picked up by the employer and remit the total of the contributions to the
2 board.""

3 (2) IF EITHER HOUSE BILL NO. 294 OR [LC0454] AND SENATE BILL NO. 89 AND [THIS ACT] ARE PASSED AND
4 APPROVED, THEN [THIS ACT] MUST BE AMENDED BY ADDING THE FOLLOWING SECTION:

5 **"Section 2.** Section 19-8-502, MCA, is amended to read:

6 **"19-8-502. Member's contribution.** (1) Each member is required to contribute into the pension
7 trust fund ~~8.5%~~ 10.56% of the member's monthly compensation, which must be deposited to the
8 member's credit in the pension trust fund.

9 (2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954,
10 as amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable
11 by the member under subsection (1) for service rendered after June 30, 1985.

12 (3) The member's contributions picked up by the employer must be designated for all purposes
13 of the retirement system as the member's contributions, except for the determination of a tax upon a
14 distribution from the retirement system. These contributions must become part of the member's
15 accumulated contributions but must be accounted for separately from those previously accumulated.

16 (4) The member's contributions picked up by the employer must be payable from the same source
17 as is used to pay compensation to the member and must be included in the member's wages, as defined
18 in 19-1-102, and the member's compensation as used to define the member's final average salary in
19 19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount
20 of the member's contributions picked up by the employer and remit the total of the contributions to the
21 board.""

22 (3) IF SENATE BILL NO. 89 AND [THIS ACT] ARE BOTH PASSED AND APPROVED, THEN [THIS ACT] MUST BE
23 AMENDED BY ADDING THE FOLLOWING SECTION:

24 **"Section 2.** Section 19-8-502, MCA, is amended to read:

25 **"19-8-502. Member's contribution.** (1) Each member is required to contribute into the pension
26 trust fund ~~8.5%~~ 8.7% of the member's monthly compensation, which must be deposited to the member's
27 credit in the pension trust fund.

28 (2) Each employer, pursuant to section 414(h)(2) of the federal Internal Revenue Code of 1954,
29 as amended and applicable on July 1, 1985, shall pick up and pay the contributions that would be payable
30 by the member under subsection (1) for service rendered after June 30, 1985.

(3) The member's contributions picked up by the employer must be designated for all purposes of the retirement system as the member's contributions, except for the determination of a tax upon a distribution from the retirement system. These contributions must become part of the member's accumulated contributions but must be accounted for separately from those previously accumulated.

(4) The member's contributions picked up by the employer must be payable from the same source as is used to pay compensation to the member and must be included in the member's wages, as defined in 19-1-102, and the member's compensation as used to define the member's final average salary in 19-8-101. The employer shall deduct from the member's compensation an amount equal to the amount of the member's contributions picked up by the employer and remit the total of the contributions to the board."

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